



**ENBRIDGE GAS INC.
RATE M12
SCHEDULE A - GENERAL TERMS AND CONDITIONS**

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I. DEFINITIONS

Except where the context expressly requires or states another meaning, the following terms, when used in these General Terms and Conditions and in any Contract shall be construed to have the meanings set out below. Capitalized terms not defined herein shall have the meaning set out in the Contract.

1. "**Contract**" shall refer to any contract to which these General Terms and Conditions shall apply, and into which they are incorporated;
2. "**cricondentherm hydrocarbon dewpoint**" shall mean the highest hydrocarbon dewpoint temperature on the phase envelope;
3. "**cubic metre**" shall mean the volume of gas which occupies one cubic metre when such gas is at a temperature of 15 degrees Celsius, and at a pressure of 101.325 kilopascals absolute;
4. "**Day**" shall mean a period of twenty-four (24) consecutive hours beginning at 9:00 a.m. Central Standard time. The reference date for any Day shall be the calendar date upon which the twenty-four (24) hour period shall commence;
5. "**delivery**" shall mean any gas that is delivered by Enbridge into Shipper's possession, or to the possession of Shipper's agent;
6. "**Enbridge**" shall mean Enbridge Gas Inc.
7. "**firm**" shall mean service not subject to curtailment or interruption except under Articles XI and XII of this Schedule "A";
8. "**gas**" shall mean gas as defined in the *Ontario Energy Board Act, 1998*, S.O. 1998, c.15, Sch. B, as amended, supplemented or re-enacted from time to time and shall include RNG;
9. "**gross heating value**" shall mean the total heat expressed in megajoules per cubic metre (MJ/m³) produced by the complete combustion at constant pressure of one (1) cubic metre of gas with air, with the gas free of water vapour and the temperature of the gas, air and products of combustion at standard temperature and all water formed by the combustion reaction condensed to the liquid state;
10. "**hydrocarbon dewpoint**" shall mean the temperature at a specific pressure where hydrocarbon vapour condensation begins;
11. "**interruptible service**" shall mean service subject to curtailment or interruption, after notice, at any time;
12. "**Interconnecting Pipeline**" shall mean a pipeline system that directly connects to the Enbridge pipeline system;
13. "**joule**" (J) shall mean the work done when the point of application of a force of one (1) newton is displaced a distance of one (1) metre in the direction of the force. The term "**megajoule**" (MJ) shall mean 1,000,000 joules. The term "**gigajoule**" (GJ) shall mean 1,000,000,000 joules;
14. "**limited interruptible service**" shall mean gas service subject to interruption or curtailment on a limited number of days as specified in the Contract;
15. "**m³**" shall mean cubic metre of gas and "**10³m³**" shall mean 1,000 cubic metres of gas;
16. "**month**" shall mean the period beginning at 9:00 a.m. Central Standard time on the first day of a calendar month and ending at 9:00 a.m. Central Standard time on the first day of the following calendar month;
17. "**OEB**" means the Ontario Energy Board or any successor thereto;
18. "**pascal**" (Pa) shall mean the pressure produced when a force of one (1) newton is applied to an area of one (1) square metre. The term "**kilopascal**" (kPa) shall mean 1,000 pascals;

19. "receipt" shall mean any gas that is delivered into Enbridge's possession, or the possession of Enbridge's agent;
20. "RNG" or "Renewable Natural Gas" shall mean biogas that has been conditioned or upgraded to a quality meeting the Renewable Gas Specification;
21. "Renewable Gas Specification" means the RNG standards or requirements established by Enbridge, as amended from time to time;
22. "Shipper" shall have the meaning as defined in the Contract and shall also include Shipper's agent(s);
23. "specific gravity" shall mean density of the gas divided by density of air, with both at a temperature of 15 degrees Celsius, and at a pressure of 101.325 kilopascals absolute;
24. "TransCanada" means TransCanada PipeLines Limited;
25. "Wobbe Number" shall mean gross heating value of the gas divided by the square root of its specific gravity;

II. GAS QUALITY

1. a. Natural Gas: The minimum gross heating value of the gas delivered to/by Enbridge hereunder, shall be thirty-six (36) megajoules per cubic metre. The maximum gross heating value of the gas delivered to/by Enbridge hereunder shall be forty point two (40.2) megajoules per cubic metre. The gas to be delivered hereunder to Enbridge may be a commingled supply from Shipper's gas sources of supply. The gas to be delivered by Enbridge may be a commingled supply from Enbridge's sources of gas supply; provided, however, that helium, natural gasoline, butane, propane and other hydrocarbons, except methane, may be removed prior to delivery to Shipper. Further, Enbridge may subject, or permit the subjection of, the gas to compression, dehydration, cooling, cleaning and other processes.
- b. Renewable Natural Gas: Specifically with the respect to RNG, the established quality specifications will be further defined in the Contract.
2. Freedom from objectionable matter: The gas to be delivered to/by Enbridge hereunder,
 - b. shall be commercially free from bacteria, sand, dust, gums, crude oils, lubricating oils, liquids, chemicals or compounds used in the production, treatment, compression or dehydration of the gas or any other objectionable substance in sufficient quantity so as to render the gas toxic, unmerchantable or cause injury to or interference with the proper operation of the lines, regulators, meters or other appliances through which it flows,
 - c. shall not contain more than seven (7) milligrams of hydrogen sulphide per cubic metre of gas nor more than four hundred and sixty (460) milligrams of total sulphur per cubic metre of gas,
 - d. shall not contain more than five (5) milligrams of mercaptan sulphur per cubic metre of gas,
 - e. shall not contain more than two point zero (2.0) molar percent by volume of carbon dioxide in the gas,
 - f. shall not contain more than zero point four (0.4) molar percent by volume of oxygen in the gas,
 - g. shall not contain more than zero point five (0.5) molar percent by volume of carbon monoxide in the gas,
 - h. shall not contain more than four point zero (4.0) molar percent by volume of hydrogen in the gas,
 - i. shall not contain more than sixty-five (65) milligrams of water vapour per cubic metre of gas,

- j. shall not have a cricondenthem hydrocarbon dewpoint exceeding minus eight (-8) degrees Celsius or minus eighteen (-18) degrees Fahrenheit,
 - k. shall have Wobbe Number from forty-seven point fifty (47.50) megajoules per cubic metre of gas to fifty-one point forty-six (51.46) megajoules per cubic metre of gas, maximum of one point five (1.5) mole percent by volume of butane plus (C4+) in the gas, and maximum of four point zero (4.0) mole percent by volume of total inerts in the gas in order to be interchangeable with other Interconnecting Pipeline gas.
- 3. Non-conforming Gas: In addition to any other right or remedy of a party, each party shall be entitled to refuse to accept delivery of any gas which does not conform to any of the specifications set out in this Article II.
 - b. In the event that the quality of the gas does not conform or if Enbridge, acting reasonably, suspects the quality of the gas may not conform to the specifications herein, then Shipper shall, if so directed by Enbridge acting reasonably, forthwith carry out, at Shipper's cost, whatever field testing of the gas quality as may be required to ensure that the quality requirements set out herein are met, and to provide Enbridge with a certified copy of such tests. If Shipper does not carry out such tests forthwith, Enbridge may conduct such test and Shipper shall reimburse Enbridge for all costs incurred by Enbridge for such testing.
 - c. If Shipper's gas fails at any time to conform to the requirements of this Article II, Enbridge, in addition to its other remedies, may refuse to accept delivery of gas at the Receipt Points hereunder until such deficiency has been remedied by Shipper. Each Party agrees to notify the other verbally, followed by written notification, of any such deficiency of quality.
- 4. Quality of Gas Received: The quality of the gas to be received by Enbridge hereunder is to be of a merchantable quality and in accordance with the quality standards as set out by Enbridge in this Article II, but, Enbridge will also accept gas of a quality as set out in any other Interconnecting Pipeline's general terms and conditions, provided that all Interconnecting Pipelines accept such quality of gas. In addition to any other right or remedy of a party, each party shall be entitled to refuse to accept delivery of any gas which does not conform to any of the specifications set out in Enbridge's M12 Rate Schedule.
- 5. Delivery of Gas to an Exchange Point: The quality of gas to be delivered to an Exchange Point is to be of a merchantable quality and in accordance with the quality standards as set out by the third party pipeline operator of the facility at the Exchange Point.

III. MEASUREMENTS

- 1. Storage, Transportation, and/or Sales Unit: The unit of the gas delivered to Enbridge shall be a megajoule or a gigajoule. The unit of gas transported or stored by Enbridge shall be a megajoule or a gigajoule. The unit of gas delivered by Enbridge shall be a megajoule, a gigajoule, a cubic metre (m³) or one thousand cubic metres (10³m³) at Enbridge's discretion.
- 2. Determination of Volume and Energy:
 - b. The volume and energy amounts determined under the Contract shall be determined in accordance with the Electricity and Gas Inspection Act (Canada), RSC 1985, c E-4- (the "**Act**") and the Electricity and Gas Inspection Regulations, SOR 86/131 (the "**Regulations**"), and any documents issued under the authority of the Act and Regulations and any amendments thereto.
 - c. The supercompressibility factor shall be determined in accordance with either the "**Manual for Determination of Supercompressibility Factors for Natural Gas**" (PAR Project NX-19) published in 1962 or with American Gas Association Transmission Measurement Committee Report No. 8, Nov. 1992, at Enbridge's discretion, all as amended from time to time.
 - d. The volume and/or energy of the gas delivered to/by Enbridge hereunder shall be determined by the

measurement equipment designated in Article VII herein.

- e. Upon request by Enbridge, Shipper shall obtain measurement of the total quantity of gas received by Enbridge hereunder from the Interconnecting Pipeline. Such measurement shall be done in accordance with established practices between Enbridge and the Interconnecting Pipeline.

IV. RECEIPT POINT AND DELIVERY POINT

1. Unless otherwise specified in the Contract, the point or points of receipt for all gas to be covered hereunder shall be on the outlet side of the measuring stations located at or near the point or points of connection specified in the Contract, where Enbridge takes possession of the gas.
2. Unless otherwise specified in the Contract, the point or points of delivery for all gas to be covered hereunder shall be on the outlet side of the measuring stations located at or near the point or points of connection as specified in the Contract where Shipper takes possession of the gas.

V. POSSESSION OF AND RESPONSIBILITY FOR GAS

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VI. FACILITIES ON SHIPPER'S PROPERTY

Except under those conditions where Enbridge is delivering to TransCanada for TransCanada or Shipper at Enbridge's Parkway Point of Delivery, or to an Interconnecting Pipeline, or where otherwise specified in the Contract, the following will apply:

1. Construction and Maintenance: Enbridge, at its own expense may construct, maintain and operate on Shipper's property at the delivery point a measuring station properly equipped with a meter or meters and any other necessary measuring equipment for properly measuring the gas redelivered under the Contract. Shipper will grant to Enbridge a lease and/or rights-of-way over property of Shipper as required by Enbridge to install such facilities and to connect same to Enbridge's pipeline.
2. Entry: Enbridge, its servants, agents and each of them may at any reasonable time on notice (except in cases of emergency) to Shipper or his duly authorized representative enter Shipper's property for the purpose of constructing, maintaining, removing, operating and/or repairing station equipment.
3. Property: The said station and equipment will be and remain the property of Enbridge notwithstanding it is constructed on and attached to the realty of Shipper, and Enbridge may at its own expense remove it upon termination of the Contract and will do so if so requested by Shipper.

VII. MEASURING EQUIPMENT

1. Metering by Enbridge: Enbridge will install and operate meters and related equipment as required and in accordance with the Act and Regulations referenced in Article III herein.
2. Metering by Others: In the event that all or any gas delivered to/by Enbridge hereunder is measured by a meter that is owned and operated by an Interconnecting Pipeline or by an upstream or downstream transporter (the "Transporter") whose facilities may or may not interconnect with Enbridge's, then Enbridge and Shipper agree to accept that metering for the purpose of determining the volume and energy of gas delivered to/by Enbridge on behalf of the Shipper. The standard of measurement and tests for the gas delivered to/by Enbridge hereunder shall be in accordance with the general terms and conditions as incorporated in that Interconnecting Pipeline company's or Transporter's gas tariff as approved by their regulatory body.
3. Check Measuring Equipment: Shipper may install, maintain and operate, at the redelivery point, at its own expense,



such check measuring equipment as desired, provided that such equipment shall be so installed as not to interfere with the operation of Enbridge's measuring equipment at or near the delivery point, and shall be installed, maintained and operated in conformity with the same standards and specifications applicable to Enbridge's metering facilities.

4. Rights of Parties: The measuring equipment installed by either party, together with any building erected by it for such equipment, shall be and remain its property. However, Enbridge and Shipper shall have the right to have representatives present at the time of any installing, reading, cleaning, changing, repairing, inspecting, testing, calibrating, or adjusting done in connection with the other's measuring equipment used in measuring or checking the measurement of deliveries of gas to/by Enbridge under the Contract. Either party will give the other party reasonable notice of its intention to carry out the acts herein specified. The records from such measuring equipment shall remain the property of their owner, but upon request each will submit to the other its records and charts, together with calculations therefrom, for inspection and verification, subject to return within ten (10) days after receipt thereof.
5. Calibration and Test of Measuring Equipment: The accuracy of Enbridge's measuring equipment shall be verified by Enbridge at reasonable intervals, and if requested, in the presence of representatives of Shipper, but Enbridge shall not be required to verify the accuracy of such equipment more frequently than once in any thirty (30) day period. In the event either party notifies the other that it desires a special test of any measuring equipment, the parties shall cooperate to secure a prompt verification of the accuracy of such equipment. The expense of any such special test, if called for by Shipper, shall be borne by Shipper if the measuring equipment tested is found to be in error by not more than two percent (2%). If, upon testing, any measuring equipment is found to be in error by not more than two percent (2%), previous recordings of such equipment shall be considered accurate in computing redeliveries of gas, but such equipment shall be adjusted at once to record as near to absolute accuracy as possible. If the test conducted shows a percentage of inaccuracy greater than two percent (2%), the financial adjustment, if any, shall be calculated in accordance with the Act and Regulations, as may be amended from time to time and in accordance with any successor statutes and regulations.
6. Preservation of Metering Records: Enbridge and Shipper shall each preserve for a period of at least six (6) years all test data, and other relevant records.
7. Error in Metering or Meter Failure of Interconnecting Pipeline(s): In the event of an error in metering or a meter failure, (such error or failure being determined through check measurement by Enbridge or any other available method), then Shipper shall enforce its rights as Shipper with the Interconnecting Pipeline(s) to remedy such error or failure including enforcing any inspection and/or verification rights and procedures.

VIII. BILLING

1. Monthly Billing Date: Enbridge shall render bills on or before the tenth (10th) day of each month for all services furnished during the preceding month. Such charges may be based on estimated quantities, if actual quantities are unavailable in time to prepare the billing. Enbridge shall provide, in a succeeding month's billing, an adjustment based on any difference between actual quantities and estimated quantities, without any interest charge. If presentation of a bill to Shipper is delayed after the tenth (10th) day of the month, then the time of payment shall be extended accordingly, unless Shipper is responsible for such delay.
2. Right of Examination: Both Enbridge and Shipper shall have the right to examine at any reasonable time the books, records and charts of the other to the extent necessary to verify the accuracy of any statement, chart or computation made under or pursuant to the provisions of the Contract.

IX. PAYMENTS

1. Monthly Payments: Shipper shall pay the invoiced amount directly into Enbridge's bank account as directed on the bill on or before the twentieth (20th) day of each month. If the payment date is not a Business Day, then payment must be received in Enbridge's account on the first Business Day preceding the twentieth (20th) day of the month.
2. Remedies for Non-payment: Should Shipper fail to pay all of the amount of any bill as herein provided when such amount is due,

- b. Shipper shall pay to Enbridge interest equal to 1.5% per month or 18% per annum (for an approximate effective rate of 19.56% per annum) multiplied by the total of all unpaid charges will be added to the bill if the full payment is not received by the due date (the “**Interest Rate**”) until the date of payment.
- c. If such failure to pay continues for thirty (30) days after payment is due, Enbridge, in addition to any other remedy it may have under the Contract, may suspend Services until such amount is paid. Notwithstanding such suspension, all demand charges shall continue to accrue plus interest at the Interest Rate in the case of further non-payment hereunder as if such suspension were not in place.

Shipper shall not be entitled to dispute all or any portion of any amounts owing to Enbridge, including any amounts pursuant to any bill, unless and until Shipper has paid in full such amounts to Enbridge. If Shipper in good faith disputes the amount of any such bill or part thereof Shipper shall nevertheless pay the full amount of the bill and will notify Enbridge within thirty (30) days following delivery of such bill of the amount disputed and the reasons why Shipper disputes that portion of the bill including supporting documentation acceptable in industry practice to support the amount paid or disputed. A final determination may be reached either by agreement, arbitration decision or judgement of the courts, as may be the case.

Notwithstanding the foregoing, Shipper is not relieved from the obligation to continue its deliveries of gas to Enbridge under the terms of any agreement, where Shipper has contracted to deliver specified quantities of gas to Enbridge.

- 3. Billing Adjustments: If it shall be found that at any time or times Shipper has been overcharged or undercharged in any form whatsoever under the provisions of the Contract and Shipper shall have actually paid the bills containing such overcharge or undercharge, Enbridge shall refund the amount of any such overcharge and interest shall accrue from and including the first day of such overcharge as paid to the date of refund and shall be calculated but not compounded at a rate per annum determined each day during the calculation period to be equal to the minimum commercial lending rate of Enbridge's principal banker, and the Shipper shall pay the amount of any such undercharge, but without interest. In the event Enbridge renders a bill to Shipper based upon measurement estimates, the required adjustment to reflect actual measurement shall be made on the bill next following the determination of such actual measurement, without any charge of interest. In the event an error is discovered in the amount billed in any statement rendered by Enbridge, such error shall be adjusted by Enbridge. Such overcharge, undercharge or error shall be adjusted by Enbridge on the bill next following its determination (where the term “**bill next following**” shall mean a bill rendered at least fourteen (14) days after the day of its determination), provided that claim therefore shall have been made within six (6) years from the date of the incorrect billing. In the event any refund is issued with Shipper's bill, the aforesaid date of refund shall be deemed to be the date of the issue of bill.

X. DISPUTE RESOLUTION

If and when any Dispute, difference or question shall arise between the parties hereto touching the Contract or anything herein contained, or the construction hereof, or the rights, duties or liabilities of the parties in relation to any matter hereunder (a “**Dispute**”), the matter in dispute shall be resolved in the manner set out in Article X.

- a. The party claiming that a Dispute has arisen must give written notice (a “**Dispute Notice**”) to the other party specifying the nature of the dispute, the relief sought, and the basis for the relief sought.
- b. Within seven (7) Business Days following delivery of a Dispute Notice, the parties must commence the process of attempting to resolve the Dispute by referring such Dispute to a meeting between the Director, Energy Services S&T Sales (or the successor position thereof), on behalf of Enbridge, and an equivalent or similar manager on behalf of the Shipper, (the “**Operations Personnel**”) for discussion and resolution. The Operations Personnel shall consult, discuss, and negotiate in good faith with the intention of a reaching a just and equitable solution satisfactory to both parties.
- c. If a Dispute is not resolved to the mutual satisfaction of the parties by the Operations Personnel within twelve (12) Business Days after the Dispute Notice has been delivered the Dispute shall be referred to the parties' respective senior representatives (in the case of the Enbridge, the Vice-President Energy Services (or the successor position thereof); and in the case of the Shipper, an equivalent or similar senior manager of the

Shipper (the "**Senior Representatives**") for resolution. The parties shall cause their respective Senior Representatives to meet as soon as possible in an effort to resolve the dispute.

- d. If the Dispute is not resolved by the Senior Representatives to the mutual satisfaction of the parties within twenty (20) Business Days after delivery of the Dispute Notice, then the parties may agree, but are not obligated, to refer the Dispute to a private mediator agreed to between them. The parties and the mediator shall conduct the mediation in accordance with procedures agreed to between them and all third-party costs (including those of the mediator) shall be shared equally by the parties. There shall be no obligation of a party to agree on a mediator or any procedures therefore, other than to act in good faith.
- e. If the Dispute is still not resolved to the mutual satisfaction of the parties within thirty (30) Business Days after delivery of the Dispute Notice, then either party may refer the Dispute to be resolved by litigation or such other legal means (such as by way of an application to the OEB, if applicable) as are available to such party, provided the party seeking legal remedy has pursued resolution of the Dispute as contemplated in Article X.

XI. FORCE MAJEURE

1. Definition: The term "**force majeure**" as used herein shall mean any event beyond the reasonable control of the party to a Contract claiming suspension, whether or not foreseeable and which by the exercise of reasonable due diligence such Party is unable to prevent or overcome, including, without limitation: acts of God, strikes, lockouts or any other industrial disturbance, acts of the public enemy, sabotage, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of governments and people, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, freezing of wells or lines of pipe, inability to obtain materials, supplies, permits or labour, any laws, orders, rules, regulations, acts or restraints of any governmental body or authority (civil or military).
2. Notice: In the event that either the Shipper or Enbridge is rendered unable, in whole or in part, by force majeure, to perform or comply with any obligation or condition of the Contract, such party shall give notice and full particulars of such force majeure in writing delivered by hand, fax or other direct written electronic means to the other party as soon as possible after the occurrence of the cause relied on and subject to the provision of this Article.
3. Exclusions: Subject to the remainder of this Section XI, each party to a Contract will be relieved of its obligations under such Contract during the period of time and to the extent performance of such obligations that are not possible due to an event of force majeure. Neither party shall be entitled to the benefit of the provisions of force majeure hereunder if any or all of the following circumstances are preventing a party's performance or compliance (or the resumption of such performance or compliance) with any obligation or condition of the Contract: the failure resulting in a condition of force majeure was caused by the negligence of the party claiming suspension or as a result of breach of the Contract; the failure was caused by the party claiming suspension where such party failed to remedy the condition by making all reasonable efforts (short of litigation, if such remedy would require litigation); the party claiming suspension failed to resume the performance of such condition obligations with reasonable dispatch; the failure was caused by economic hardship, lack of funds, deteriorated financial circumstances, change in commodity prices, interests rates, financial markets, or the lack of market for product or the availability of a more attractive market; the party claiming suspension did not, as soon as reasonably possible after determining, or within a period within which it should acting reasonably have determined, that the occurrence was in the nature of force majeure and would affect its ability to observe or perform any of its conditions or obligations under the Contract, give to the other party the notice required hereunder.
4. Notice for Force Majeure: The party to a Contract claiming suspension as a result of an event of force majeure shall keep the other party reasonably apprised of the event of force majeure, the steps the affected party is taking to end or mitigate the force majeure event, and when the force majeure is anticipated to end. During an event of force majeure, the affected party shall use reasonable efforts to limit the impacts to the other party and to resume its performance under the Contract as soon as practicable. The party claiming suspension shall likewise give notice as soon as possible after the force majeure condition is remedied, to the extent that the same has been remedied, and that such party has resumed or is then in a position to resume the performance of the obligations and conditions of

the Contract.

5. Obligation to Perform: An event of force majeure on Enbridge's system will excuse the failure to deliver gas by Enbridge or the failure to accept gas by Enbridge hereunder, and both parties shall be excused from performance of their obligations hereunder, except for payment obligations, to the extent of and for the duration of the force majeure.
6. Upstream or Downstream Force Majeure: An event of force majeure upstream or downstream of Enbridge's system shall not relieve Shipper of any payment obligations.
7. Delay of Firm Transportation Services: Despite Article XI herein, if Enbridge is prevented, by reason of an event of force majeure on Enbridge's system from delivering gas on the Day or Days upon which Enbridge has accepted gas from Shipper, Enbridge shall thereafter make all reasonable efforts to deliver such quantities as soon as practicable and on such Day or Days as are agreed to by Shipper and Enbridge. If Enbridge accepts such gas on this basis, Shipper shall not receive any demand charge relief as contemplated under Article XI herein.
8. Demand Charge Relief for Firm Transportation Services: Despite Article XI herein, if on any Day Enbridge fails to accept gas from Shipper by reason of an event of force majeure on Enbridge's system and fails to deliver the quantity of gas nominated hereunder by Shipper up to the firm Contract Demand for that Contract, then for that Day the Monthly demand charge shall be reduced by an amount equal to the applicable Daily Demand Rate, as defined in this paragraph, multiplied by the difference between the quantity of gas actually delivered by Enbridge during such Day and the quantity of gas which Shipper in good faith nominated on such Day. The term "**Daily Demand Rate**" shall mean the Monthly demand charge or equivalent pursuant to the M12 Rate Schedule divided by the number of days in the month for which such rate is being calculated.
9. Proration of Firm Transportation Service: If, due to the occurrence of an event of force majeure or other operational constraint on Enbridge's system or on any facilities upstream or downstream of Enbridge's System, howsoever caused as outlined above, the capacity for gas deliveries by Enbridge is impaired on all or a portion of Enbridge's system, it will be necessary for Enbridge to curtail Shipper's gas receipts to Enbridge hereunder, via proration based on utilization of such facilities for the Day on such portion of Enbridge's system affected the applicable event. This prorating shall be determined by multiplying the capability of such facilities as available downstream of the impairment on the Day on such portion of Enbridge's system affected by the applicable event, by a fraction where the numerator is Shipper's nominated firm quantity and the denominator is the total of all such nominated firm quantities for nominated services and planned consumption for in-franchise customers on such portion of Enbridge's system affected by the applicable event on the Day. For the purposes of this Article XI, firm services shall mean all firm services provided by Enbridge to in-franchise customers and ex-franchise shippers.

XII. DEFAULT AND TERMINATION

In case of the breach or non-observance or non-performance on the part of either party hereto of any covenant, proviso, condition, restriction or stipulation contained in the Contract (but not including herein failure to take or make delivery in whole or in part of the gas delivered to/by Enbridge hereunder occasioned by any of the reasons provided for in Article XI herein) which has not been waived by the other party, then and in every such case and as often as the same may happen, the non-defaulting party may give written notice to the defaulting party requiring it to remedy such default and in the event of the defaulting party failing to remedy the same within a period of (i) ten (10) days from receipt of such notice in the case of a failure on the part of Shipper to make a payment within the time periods required hereunder (a "**Payment Default**"); or (ii) thirty (30) days from receipt of such notice in the case of a default other than a Payment Default, the non-defaulting party may at its sole option, exercise any of the following remedies immediately upon giving notice to the defaulting party:

- a. to suspend the non-defaulting party's performance under the Contract, provided that notwithstanding such suspension, all demand charges shall continue to accrue plus interest at the Interest Rate in the case of further non-payment hereunder as if such suspension were not in place;
- b. to withhold or continue to withhold any amounts owed to the defaulting party under the Contract (whether or not yet invoiced or due) and set off against such withheld amounts any amounts owed the non-defaulting party under the Contract (whether or not yet invoiced or due); or



- c. declare the Contract to be terminated and thereupon the Contract shall be terminated and be null and void for all purposes other than and except as to any liability of the parties under the same incurred before and subsisting as of termination.

The right hereby conferred upon each party shall be in addition to, and not in derogation of or in substitution for, any other right or remedy which the parties respectively at law or in equity shall or may possess. Each of the aforementioned remedies are non-exclusive remedies, and the non-defaulting party may elect to exercise one or more of such remedies, as applicable.

XIII. MODIFICATION

Subject to Enbridge's M12 Rate Schedule, Schedule A, Article XV and the ability of Enbridge to amend the M12 Rate Schedule with the approval of the OEB, no amendment or modification of the Contract shall be effective unless the same shall be in writing and signed by each of the Shipper and Enbridge.

XIV. NON-WAIVER AND FUTURE DEFAULT

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XV. LAWS, REGULATIONS AND ORDERS

The Contract and the respective rights and obligations of the parties hereto are subject to all present and future valid laws, orders, rules and regulations of any competent legislative body, or duly constituted authority now or hereafter having jurisdiction and the Contract shall be varied and amended to comply with or conform to any valid order or direction of any board, tribunal or administrative agency which affects any of the provisions of the Contract.

XVI. NOMINATIONS

1. For Services provided either under this rate schedule or referenced to this rate schedule:
 - a. For Services required on any day Shipper shall provide Enbridge with details regarding the quantity it desires to be handled at the applicable Receipt Point(s) and/or Delivery Point(s), and such additional information as Enbridge determines to be necessary (a "**Nomination**").
 - b. All Nominations shall be submitted by electronic means via *Enerline*. Enbridge, in its sole discretion, may amend or modify the nominating procedures or *Enerline* at any time. Nominations shall be submitted so as to be received by Enbridge in accordance with timelines established by Enbridge, which reflect the NAESB standard nomination cycles. Enbridge will accept all Nominations on each of the nomination cycles. Nominations made after the applicable deadline shall not be accepted except at the sole discretion of Enbridge. The nomination cycle timelines are posted on Enbridge's website and the nomination deadlines are provided in *Enerline*.
 - c. For customers electing firm all day transportation service, nominations shall be provided to Enbridge's Gas Management Services as outlined in the F24 –T Agreement.
2. Enbridge shall determine whether or not all or any portion of the Nomination will be accepted. In the event Enbridge determines that it will not accept such Nomination, Enbridge shall advise Shipper of the reduced quantity (the "**Quantity Available**") for Services at the applicable points as outlined in each nomination cycle. After receiving such advice from Enbridge but no later than one half hour after the Quantities Available deadline as outlined in each nomination cycle, Shipper shall provide a "**Revised Nomination**" to Enbridge which shall be no greater than the Quantity Available. If such Revised Nomination is not provided within the time allowed as required above or such Revised Nomination is greater than the Quantity Available, then the Revised Nomination shall be deemed to be the Quantity Available. If the Revised Nomination (delivered within the time allowed as required above) is less than the



Quantity Available, then such lesser amount shall be the Revised Nomination.

3. That portion of a Shipper's Nomination or Revised Nomination, as set out in (a) and (b), above, which Enbridge shall accept for Services hereunder, shall be known as Shipper's "**Authorized Quantity**".
4. If on any day the actual quantities handled by Enbridge, for each of the Services authorized, exceed Shipper's Authorized Quantity, and such excess was caused by either Shipper's incorrect nomination or by its delivering or receiving too much gas, then the amount by which the actual quantities handled for each of the Services exceed Shipper's Authorized Quantity, such excess shall be deemed "**Unauthorized Overrun**".
5. The daily quantity of gas nominated by Shipper will be delivered by Shipper at rates of flow that are as nearly constant as possible, however, Enbridge shall use reasonable efforts to take receipt of gas on any day at an hourly rate of flow up to one twentieth (1/20th) of the quantity received for that day. Enbridge shall have the right to limit Services when on any day the cumulative hourly imbalance between receipts and deliveries exceeds one twentieth (1/20th) of the quantity handled for that day, for each applicable Service.
6. A nomination for a daily quantity of gas on any day shall remain in effect and apply to subsequent days unless and until Enbridge receives a new nomination from Shipper or unless Enbridge gives Shipper written notice that it is not acceptable in accordance with either (a) or (b) of this schedule.
7. Except for periods of gas or quantity balancing as provided in the Contract, nominations by Shipper for deliveries to Enbridge and redeliveries by Enbridge shall be the same delivery of gas by Enbridge either to Shipper or a Shipper's Account with Enbridge.
8. Exchanges: All gas delivered to an Exchange Point is to be nominated in accordance with the nomination procedures of the receiving transporter.